

**Notice of decision on individual review of charitable status
SC008903 Strathallan School**

1. Decision

Following an inquiry under section 28 of the Charities and Trustee Investment (Scotland) Act 2005 (the 2005 Act), we confirm that Strathallan School meets the charity test and therefore continues to be eligible to be registered as a charity in Scotland.

2. Summary of assessment against the charity test

Strathallan School's purposes are currently set out in Clause Three of the Memorandum and Articles of Association (dated 20 May 1967). However, the charity was given consent by OSCR on 19 November 2012 to amend its purposes; these revised purposes were to be adopted at the charity's AGM on 24 November 2012. We have therefore based our assessment on the revised purposes.

We are satisfied that:

- both the existing and the proposed new purposes are charitable;
- the charity's activities provide public benefit in furtherance of those purposes;
- there is no evidence of any significant private benefit or disbenefit arising in consequence of the charity exercising its functions; and
- the conditions on accessing the benefit are not, on balance, unduly restrictive.

In assessing Strathallan School against the charity test, we have had particular regard to the benefit it provides in furtherance of its purposes (both that which is charged for and that which is not) and the conditions on accessing that benefit, primarily the fees it charges its beneficiaries.

a) Benefit which is charged for

Strathallan School is a co-educational senior school for children aged nine to eighteen years, offering education to both day and boarding pupils. During the financial year 2010-11 (which formed the basis of our assessment, as it was the most recent financial year for which complete financial information was available), it had a school roll of 566 pupils. Approximately 61% of the school's roll were regular boarders.

The school's gross income during the year was £10,299,419; we have used this figure for the purposes of our assessment.

In 2010-11, the school's annual fees ranged from £11,325 (junior day fee) to £25,440 (senior boarding fee). The school's fees were moderately higher than the average fees for Scottish Council of Independent Schools (SCIS) boarding schools in 2010-11¹ (£384, £216, £864 and £798 higher for junior day fees, junior boarding fees, senior day fees and senior boarding fees respectively). Nevertheless, these fees are substantial and represent a restrictive condition on accessing the benefit provided by the school. In order for public benefit to be provided, there must therefore be significant mitigation of these fees in place.

Strathallan School provides benefit to its pupils which is charged for. In terms of educational benefit, the curriculum is based on the English key stage system leading to GCSE. In Sixth Form, courses at Higher, AS Level and A2 are offered. Pupils normally take either an A Level course or Scottish Highers. The school offers a range of co-curricular and extra-curricular activities in areas such as sport, debating, fitness, the arts, chess, photography, community service and the Duke of Edinburgh scheme. There is also significant support for children with mild to moderate Additional Support Needs.

b) Benefit which is not charged for

In addition, the school has provided evidence of a high level of benefit for which it makes little or no charge. These activities provide benefit to the wider public in furtherance of the school's purposes by providing access to its services and facilities. As an example of some of the most notable of the numerous activities outlined to us, the school:

- Provides staff resources to participate in numerous educational or curriculum development committees and child protection/welfare bodies, as well as acting as examination setters and markers.
- Provides use of its pitches and facilities free of charge or for a nominal fee to a wide variety of groups, local schools and the wider community for the purposes of sport, arts, music and recreation generally. These groups are too numerous to list individually (with nearly 30 examples being given by the school), but they cover a very wide range and substantial number of beneficiaries.
- Permits those outwith the school to join some of the pupil activities, including canoeing, judo, karate, Irish dancing and fencing.
- Provides staff resources to deliver sports coaching and training to regional and national teams including hockey, rugby and strength and conditioning; the school advises these activities are undertaken through the school and with the permission of the Headmaster.

¹ *Indicative average fees for SCIS schools analysis at July 2010, www.scis.org.uk (Note: comparison has been made with average day and boarding fees charged by boarding schools, as the majority of Strathallan School's pupils are regular boarders)*

- Undertakes charity fundraising activity and community activity. In the 2010-11 session, this activity benefited 11 charities and voluntary organisations and several events were opened up to the local community.

It is clear that these activities are regular, scheduled and provide benefit for little or no charge to a wide range and high number of beneficiaries. These types of activities have a significant impact and therefore mitigate to an extent the restrictive nature of the fees charged by the charity for part of the benefit it provides.

c) Facilitated access to benefit

In addition to the benefit provided for which there is little or no charge, the school mitigates the impact of the fees it charges by offering both means-tested and non means-tested fee remissions to its pupils. Means-tested access arrangements have the most significant impact on opening up access that is restricted due to the fees charged, as these awards are primarily focussed on addressing financial need. However, our assessment has also had regard to the impact of non means-tested awards and discounts offered by the school.

The school spent 9.3% of its gross available income in 2010-11 on means-tested bursary provision. Although this sum was considerably higher as a proportion of income than that spent some of the other schools reviewed to date, it must be considered in the context of the level of fees charged by the school. In total, a high proportion of the school's roll (103 pupils, or 18.2% of the roll) were in receipt of a means-tested bursary award from the school. The school advises families about financial support available from external sources, but has not confirmed whether it is aware of any pupils being in receipt of such support during 2010-11.

The bursaries awarded by the school were of varying values, with the main focus being on lower value bursaries of 60% and less and the highest number of awards being in the 21-40% bracket. Means-tested bursaries offered by the school are available up to 100% of fee remission and, in the year reviewed, five pupils were in receipt of a full award (0.9% of the main school roll).

Where applications to the bursary fund are over-subscribed, the school has advised that it will give preference to individuals who are already in receipt of a scholarship award. However, it is clear that in practice the majority of those in receipt of a means-tested bursary are not also in receipt of a scholarship, which highlights that the focus of the awards is on mitigating the impact of the fees charged for those who cannot afford them.

Additionally, the school facilitates the access to the benefit it provides by offering non means-tested fee remissions to its pupils. In 2010-11, the school spent 8.6% of its gross available income on non means-tested discounts which were awarded to 38% of the school's roll. This type of fee remission included sibling discounts, scholarship awards, services discounts and discounts for children of former pupils.

d) Conclusion

We conclude that Strathallan School has provided sufficient evidence that, in particular, the provision of means-tested facilitated access and benefit for which there is little or no charge is of a considerable level and that the impact of the fees charged by the school is thereby mitigated.

In coming to this conclusion, we have had particular regard to the need to provide a proportionately higher level of facilitated access where fees are higher (particularly where a significant proportion of beneficiaries pay the highest fees, as in the case of Strathallan School where a very high proportion of the school roll are regular boarders). In the context of the fees, we consider that the school has made reasonable provision for means-tested bursary assistance from its income and that a high number of the school's beneficiaries are in receipt of such assistance to some degree. We have however noted that the majority of bursaries are of lower value and that the remaining fee payable will in some cases therefore be significant.

On balance, we are of the view that the benefit provided by the school for which it makes little or no charge is particularly substantial and that this activity will have a high impact on a high number of beneficiaries from outwith the school. This aspect of the charity's operations is the most significant way in which it opens up access to the benefit it provides, thereby mitigating the fees charged.

We therefore do not consider that there are any unduly restrictive conditions on accessing the benefit provided by the school and public benefit is provided. Strathallan School continues to meet the charity test.

10 January 2013